

DMRE 1MW to 10MW THRESHOLD INCREASE PROPOSAL



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Content

- Potential **risks** to Municipality – threshold increase
- Potential **benefits** to Municipality – threshold increase
- Specific **constraints** to Municipality electricity (slide 2)
- **Support** required to realise potential (slide 2)

Risks to Municipality

Sustainability

- LPU's going large scale SSEG
 - 1 x 10 MVA consumer has already installed 2,5 MVA
 - Ceres NMD is 36,5 MVA
- Traditional refit tariff does not 'self regulate' if SSEG is less than consumers base load – loss to Municipality
- Ceres industry driven – Many LPU's, huge potential revenue impact (Substantial SSEG already installed) +6 MW
- Levy model will assist (Levy proportional to installation size)

Network Stability

- Comply with NRS - check various input points in network - effect



Benefits to Municipality

Municipality

- Installation of own plants at 4 intake points (No NERSA approval)
- Reduced energy charges for both Municipality and therefore Consumers
- May influence peaks downwards if BESS included (7pm – 8pm peaks)
- Agricultural and some Industrial customers have lots of potential to feedback into the grid in 'off season', assisting the Municipality
- Reduced electricity losses. Closer to distributed source and reduced energy cost stolen by illegal connections

Customers

- Green footprint – attract development, enhance economy



Constraints to Municipality

- Financing (long term) to install own plants at intake points
- MFMA and legislative constraints
 - long term contracts
 - PPP's
- Streamlined and simplified processes (Cut the RED tape)
- Grid Code 4.1 – can we stop consumers installing? (Distributor shall provide access for embedded generators)
- Resources to drive the process (personnel, training)
- Agricultural and some Industrial energy feedback into network
 - Long term agreements/tariffs must remain relevant and 'safe'
 - Network upgrade requirements
- Supply chain processes (or lack thereof)
- Buy in from politicians



Support to Municipality

- Assistance with processes to source and install plants
 - Consultant appointment and contractor
- Guidance with legislative processes
- Financing, procurement
- Workshops for politicians





Thank you

